

develop a computer system to handle this whole tax system. How in the name of the good Lord could they ever come up with a system that is going to ensure that these kinds of abuses do not occur in the future? They cannot.

When you have 5½ million words in the tax system administered by 113,000 people that have such great discretion over their interpretation of those rules, when you have 535 people in Congress meddling in this, and by the way, I would point out that we do our share to make this system worse. During the decade of the 1980's, Congress changed the tax law 100 times. The 1986 tax reform alone added 100 new forms to the tax system. And even the things that we did this summer which were good, they were tax cuts, *Money* magazine says one alone, capital gains changes we made, will add 37 new lines to the capital gains form.

So when we have got all this activity going on, who loses? The taxpayer. The system will never change. The IRS Commissioner can be doing this in good faith, saying, "We are going to try harder." It will not work. It is doomed to failure. I predict that if 50 percent of Americans today are seeking help filling out their tax forms, within the next 2 years, that number will rise. It will be 51 or 52 percent. More Americans will be upset with the system.

The only solution is the solution that moves this country forward to give ourselves a better future, to open the opportunity for the next millennium to be better, the next 100 years in this Nation's history better than the last 100 years. As we enter the next millennium, the next 1,000-year cycle, would it not be wonderful to do so with a new system of taxation in this country?

We began the early years of this century putting in place the current Internal Revenue system, about 1913. My bill will sunset it on the last day of this century. We would have begun and ended this century with the Internal Revenue system we have today, and we can begin the next century with the new approach.

The logical question is: What approach do I favor and the sponsors, the 47 of us who sponsored this legislation in the House, H.R. 2483? Some of us make choices and take sides in the debate: Should it be a sales tax or flat-rate income tax or any other tax? I do not. I think any system, just about any system, is better than the one we have today.

H.R. 2483 sunsets the code effective December 31, 2000, protects Social Security and Medicare. We do not touch the funding of those two systems. But it gives the American people an opportunity that is all too rare in this country, one that we are trying to do more of in this new Republican-dominated Congress: Give them, the American people, our employers, the opportunity to be involved in changing the tax system.

I am excited about this. I think this is an opportunity for the Members of

this House and of the other body to look at the American people and say, we are going to shoot the gun to begin the race. We set the goal line down there, but we are going to let you determine how that race is run.

We want the American people to come forward with their ideas on reforming, fundamental reform of the Tax Code. We want their ideas on whether they support a flat-rate income tax, a national sales tax, or some other form of taxation. But the important thing is beginning this debate and this race.

I am hopeful that this Congress will consider H.R. 2483 and our Senate companion bill this year. If we do so, that will give us 3 years to involve the American people in this dialog on the fundamental change we want to undertake. It will also give us 3 years to ponder what kind of country do we want moving into the next century.

Do we want one that is driven by Washington-mandated dictates? Do we want one where we in this Congress or bureaucrats or Federal agencies determine outcomes for our families or our businesses or our futures? Or, on the other hand, would we rather have a system of taxes that allows the greatness of this country to flow from the American people, not from Washington, DC? Will we want a Tax Code that allows entrepreneurs and small businessmen and women to achieve all the success they want in their lives? Will we have a system that will allow people to employ their friends and their neighbors and relatives and people down the street in their businesses, creating more hope and growth and opportunity across the country?

I think that this issue of fundamental sweeping tax reform, setting aside the current Tax Code with a new system of fairness, combined with our effort to balance the budget and to stay the course on controlling wasteful Washington spending, these will give my little 16-month-old daughter Suzie and children across this country like her the opportunity to live and work in what will again be in the next century the great Nation that we have been in this century.

There are many other challenges we are going to face as a country. If we can solve problems like the deficit that we have been running up, address the debt issue, which the gentleman from Wisconsin [Mr. NEUMANN] in this Chamber is working so tirelessly to do in his legislation to be able to pay down our Nation's indebtedness so we are not burdening the future generations with that indebtedness that we are running up today, and if we can fundamentally change this Tax Code, throw it out, come up with a system that unleashes the greatness of this country, I think the best days of this Nation are truly ahead of us.

I look forward to working with my colleagues as we see this issue to fruition.

CAMPAIGN FINANCE SYSTEM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 30 minutes as the designee of the majority leader.

Mr. SCARBOROUGH. Mr. Speaker, I want to just say that I support fully the efforts of the gentleman from New York [Mr. PAXON]. I certainly was honored to be at the press conference earlier this week when we saw a man who actually dared to look ahead to the next century and dared to challenge what the existing status quo is and say, we can do better; we as a country can demand more from our Government, we can demand more from our tax collectors, and we can prepare for the 21st century now. And I think my colleague has got a great idea.

I also want to comment, though, on some statements that were made earlier by our friends on the other side of the aisle regarding what they claim are their efforts to clean up the campaign finance system.

We heard one after another come up expressing shock and sadness over the current state of the campaign finance system. And it reminded me of an old song that I used to listen to in the 1970's. It was by the Stylistics, and the song was called "Make Up To Break Up." I think we can adapt the music to that song to something the Democrats could sing, and they could call it "Make Laws To Break Laws."

I say that because here we have a group of people that have profited from what the New York Times, the Washington Post, the Los Angeles Times, *Newsweek* have chronicled as perhaps the greatest fund-raising abuses in the history of this republic, who are now trying to paint themselves as reformers.

I do not fear new laws. I do not fear a campaign finance overhaul. I think it is good. I think it is good for us to reassess time in and time out what is best for this country. But what I do fear is the level of hypocrisy and disingenuousness that makes Americans cynical about the type of government that they have in Washington, DC.

Here we have an unprecedented abuse of campaign finance laws by a group of people who are now saying, "Let us make some more laws," instead of saying, "Let us abide by the laws we already have on the books and hold those people accountable that broke the law in 1996."

The news people have told us sordid tales about how the DNC, the Democratic National Committee, laundered money through organizations and improperly used Federal agencies to help in their reelection efforts. In fact, the Washington Post, New York Times, *Newsweek*, and others have told about how the Democrats used the Energy

Department improperly, the CIA improperly, the National Security Committee improperly, the Commerce Department improperly, the FBI improperly, the office of the Presidency improperly, the office of the Vice Presidency improperly, the INS improperly, and how they use other agencies improperly, also.

The New York Times took it a step further this past week. In an editorial, the New York Times wrote that neither Janet Reno nor the President could any longer be trusted on the issue of campaign abuse inquiries. Why? Because the same newspapers have reported that the DNC funneled money to Teamsters; that the DNC used the CIA, an agency that is supposed to protect this country and not get involved in politics, but the DNC used the CIA to pressure national security officials to let an international fugitive into the White House for a fundraiser.

The Democrats wanted an international fugitive, who had already been kept out of the White House by the National Security Council, they wanted to get them in by strong-arm tactics on the CIA. This is absolutely incredible. And yet, these same people are now claiming that they are the champions of reform.

I am sure a lot of my colleagues have heard about how the Democratic National Committee in the White House made phone calls from the White House to raise money improperly, or how they had all these coffees. The Democratic Senator in the hearing said that he counted 103 fund-raiser coffees at the White House. And yet, after the Democrats first denied that it ever happened and then said, "Well, we cannot remember whether it happened," next they said, "Well, maybe it did happen. But even if it did happen, it was not a violation of the law." And yet the Los Angeles Times reported this morning that, in a bluntly worded memo back in 1993, the White House's own attorney, the President's chief counsel, Judge Abner Mikva, instructed the White House officials that it was illegal, that it was illegal to make phone calls from the White House, and that it was improper and illegal to raise money at the White House.

□ 1445

Now what do we see from the news media, the TV news media? Because there is a big difference. The print media is actually following these stories and bringing it to the forefront, but for some reason Dan Rather, Peter Jennings, Tom Brokaw, and those on the nightly news do not want to get it out.

What are they telling us? What they are telling us is this is an old law, this is an old law like the Bill of Rights. Those are old laws. The Magna Carta, that one is an old law, too, but this law is over 100 years old, so it certainly cannot apply to the White House. Jee-

pers, this law is over 100 years old. What does that have to do with anything?

The President's own attorney said in 1993 that it is illegal under this old law to raise money at the White House, that it is illegal for the Democrats to urge fundraising calls at the White House, that it is illegal for the Democrats to have the President hold coffees at the White House, illegal, illegal, illegal on all counts, according to the President's own attorney in 1993.

Why do we not hear that on the evening news? Why do they instead talk about how it is an old law that has never been applied? I do not know why. Why cannot the evening news and the Democrats be as responsible as the New York Times and the Washington Post and the print media?

I mean certainly I understand the Democrats, why they do not want all these illegalities to get out, because every one of them, every person that sits in this Chamber and goes up to that microphone, they got sent from the Democratic National Committee, profited either directly or indirectly from these illegal activities. It is chronicled in the New York Times, Washington Post.

What I do not understand is why the evening news and why CNN cannot report it the way the print media has reported it, and it has been this way from the beginning.

I do not know what their agenda is, I do not care what their agenda is, all I care about is Americans are informed, and if Americans in the end do not care that their Government officials are breaking laws and improperly using national security functions for their own partisan purposes, then let Americans have the government they deserve.

I have got to tell my colleagues, I do not care whether a Republican does it or whether a Democrat does it, if it is illegal, they need to be held accountable. And, speaking about Republicans, I got to tell Members I was a little bothered this past week when the Republicans decided that they were going to stop the hearings in the other Chamber. They were just beginning to get information out about documents being shredded, about the CIA improperly being used, but some people have suggested, and I hope it is not true, that those Republicans were concerned that the bright light of disclosure may also have shone down harshly on them.

Let me tell my colleagues, if that is the case, too bad, let it all out. Let us examine the Democrats and the Republicans and clean up the system. It is the only way we are going to restore confidence in this system.

Today the first speaker came on the floor, and he came on the floor talking about how the Democrats should be congratulated for bringing the issue of campaign abuses to the forefront. Congratulated for what? I mean that is like Marv Albert walking out after his trial yesterday and saying, "Hey, I deserve credit for bringing sexual abuse

to the forefront." Give me a break. It is a joke. Who are they trying to fool? What have they done to bring campaign finance to the forefront?

Well, the New York Times wrote in a headline on September 10, 1997, "Democrats Scammed \$2 Million To Aid Candidates, Records Show." Another front page article in the New York Times, same day, says ex-party leader admits arranging access but defends the interventions. Democrat tells Senate panel he set up CIA session, and the GOP press inquiry, says of a Democratic Party contributor, "I think it is important for us to recognize there are good Democrats out there that do want to contribute to the Democratic Party because they believe in what the party is doing."

And that is fine. Those people should not be afraid to contribute to the Democratic Party in the future, but unfortunately now they have to be afraid of it because they unfortunately were put in a money scheme where \$2 million was skimmed of their money in the wrong accounts. One Democratic Party contributor who requested anonymity said, "Whoever did this should go to jail, this is illegal, and they knew it."

Now what does the chairman of the Democratic National Committee, Donald Fowler, say before the committee? He said, "I have no memory of any conversations with the CIA." This was talking about access for donors. So that is one thing they did to bring campaign abuses to the forefront.

Here is another thing they did that they are so proud of to bring campaign abuses to the forefront. This was in the Washington Post on September 19, 1997, where the headline says the United States says that Carey aides used the Democratic National Committee and the AFL-CIO consultants, plead guilty to funneling money to Teamsters' reelection campaign. And the Washington Post quotes in the body of this, which I guess again Democrats are proud to bring this to the forefront, they say, "Both the DNC, the Democratic National Committee, and the Clinton-Gore reelection committee agreed to seek contributions to the Carey campaign in exchange for Teamsters' donations to the DNC." The Washington Post.

That, my friends, that, Mr. Speaker, is illegal. It is called money laundering, and if they want to take pride in that, so be it.

What else have the Democrats done to bring campaign abuses to the forefront which they are so proud of? Well, the New York Times, they chronicle in their editorial about how the Democratic National Committee had an open door for an international fugitive, and this is what they wrote about this sordid tale of the Democratic National Committee using improper influence over the Committee on National Security and the CIA to get international fugitives into White House fund-raisers. The New York Times wrote on September 19, 1997, "He was affirming that

in the shadowy reaches of the international business world it was believed accurately that during 1996 dubious entrepreneurs could buy White House audiences, particularly if they did not quibble about the cost of a ticket." And the New York Times went on to write in their editorial, September 19, 1997, "that so many high level people even took the party's role into consideration is one of the most shocking lapses of judgment."

Mr. Speaker, some people might be asking why am I on the floor talking about this. This is not one of my top issues. I am on Committee on Government Reform and Oversight, but I would not be down here if I had not heard for a week people on the other side of the aisle beating their chest in self-righteous indignation about how they were the only ones who cared about campaign finance abuses. It is absolutely ridiculous. There is no moral equivalency here, there are no editorials like this talking about access being bought through national security people. This is an unprecedented level of abuse in fundraising, and yet these same people are trying to change the subject. They are talking about making new laws instead of keeping the laws they already passed.

I got to say it would be like Princess Diana's driver coming back from the dead, holding a press conference and saying, you know what we really need to do? We really need to lower the speed limit in tunnels in Paris, or we really need to toughen up the drunk driver laws. Wrong. You need to abide by the laws that are already on the book. Do not try to change the subject. Do not try to point fingers at somebody else. Let us look at the issue before us, let us look at the laws already on the book, let us look at the laws been on the books for over 100 years and just abide by those laws instead of making new ones.

We have more things the Democrats did that they are proud of bringing campaign finance to the forefront. A September 19 New York Times article says, "Oilman Says He Got Access by Giving Democrats Money." OK. We had our second speaker come on the floor today talking about how anguished he was that money bought access in committees in this House. Well, some of them even gave \$5,000, \$10,000. What he did not tell us was the rest of the story about how he got dollars from special interests pumped into campaigns across the country from extremist groups that wanted to write in their own provisions in environmental legislation.

What did this international fugitive that got White House access improperly say at the end of his experience? He said, "I think next time I will give \$600,000," because he was commenting, he said \$300,000 to get access but he still did not get his pipeline. So his only comment was, "I think next time I will give \$600,000."

We also have some more articles: New York Times, Wednesday, Septem-

ber 10, an editorial. They say Mr. Fowler's selective memory—now he is the chairman of the Democratic Committee, past chairman, and the editorial in the New York Times quoted yesterday's testimony yet again, abuses that occurred were solely the responsibility of the Democratic Party and not the White House. The guy wanted to say, now that Mr. Fowler has spoken, the committee needs to press further into the White House's role in running the campaign. The President is under more pressure than ever to step forward and explain how he could have let the system spin out of control. Also, those leisurely investigators at the Justice Department need to explain why they are so far behind the newspapers and this Senate committee.

Now this is fascinating, talking about how the Justice Department is behind news reporters. Do my colleagues know we do not find out until the Washington Post broke it on September 3 that the White House and the Democratic National Committee has illegally shifted soft money into hard money accounts? If we had known that 90 days ago, there would already have been a special prosecutor today, but the Attorney General has been saying we cannot do it because we do not have the information, and yet there was an administrative bungling, some would say an administrative coverup, at the FBI and at the Justice Department.

We have to depend on news reporters from the Washington Post and the New York Times and the Los Angeles Times and the Washington Times to get information because our Government is failing us, and it is failing us because obviously there is such a close link between the Justice Department and the White House that they do not want to investigate their boss. I guess I can understand that. I guess if people in my office were responsible for investigating me, I might be a little worried. It does not make sense. That is why the New York Times and other newspapers across America have been talking about the need for the Attorney General to appoint a special prosecutor to look into this.

In fact, the New York Times earlier this week wrote, "Janet Reno and the President can no longer be trusted to look into these abuses." And I think that is a sad statement; I think things have happened with this Attorney General that would even make John Mitchell blush. Of course John Mitchell was the Attorney General that covered up for Richard Nixon, a Republican who had quite a few fundraising abuses of his own. And that is why we need independents in Government, that is why we need a third party, not a partisan Republican, not a partisan Democrat, but somebody on the outside that can look into these abuses and see how American democracy was subverted in 1996 by some of the shadiest practices in the Democratic National Committee that have ever, ever occurred in this democracy.

I have a few more posters, Mr. Speaker, but two that I want to show I think lie at the heart of this growing scandal. One of them was just an absolutely shameful episode where a former White House official testified about the pressure she received from the Democratic National Committee and the CIA to let an international fugitive in the White House.

□ 1500

In her testimony, she talked about how Energy Department officials and the CIA pressured her as a national security officer to let this international fugitive in that was wanted for \$3 billion in embezzlement.

What happened was the Democratic National Committee went to the National Security Council and said we need to let this international fugitive in the White House. The National Security Council said "no." This lady said "no," and Sheila Heflin is her name, and then the Democratic National chairman hung up the phone, called Bob, that is all he is identified as, Bob at the CIA, and asked Bob to call the National Security Council to tell them to let this person in the White House.

The CIA called the National Security Council and said, "go ahead, let this guy in the White House." And to her credit, this White House official once again said "no, this is improper."

We learned later about meetings between the international fugitive and the chairman of the National Security Council, or the chairman of the Democratic National Committee. And he had a meeting with him and wrote down in his notes "Go to CIA, Bob." Wrote down notes, "Call the CIA to get this person in."

The New York Times wrote on September 18 testimony from Sheila Heflin, and this is what she said, this ex-White House official, who was pressured by the CIA to let an international fugitive in the White House, "I was shocked. I said what the hell is going on? Why are you guys working with Fowler at the Democratic National Committee?"

It is absolutely unbelievable, and I hope it is unprecedented. I do not know if it is or not.

Now, what did the chairman of the Democratic National Committee say to these investigators when they had notes that he wrote down saying "Go to CIA, Bob?"

What he said to them was, "I have no recollection of talking to him." Is that not amazing? I have been thinking for the past couple of weeks about bringing a bill called the National Amnesia Relief Act, because I really do think there is something in Washington, DC, that if you mix water, normal tap water, with a subpoena, amnesia ensues. Because I have heard more people on the Committee on Government Reform and Oversight come before our

committee and say "I have no recollection of that event. I have no recollection. I have no recollection of that." Everybody has been doing it.

That is their only defense. It is shocking. It is sad. They know. They know that Americans are not that dumb, and I am surprised they continue to insult us.

This is a note that the chairman of the Democratic National Committee had on paper that was brought up at the hearings. He wrote a note to himself. It is a simple note. It says "go to CIA." That is Democratic National Committee Chairman Donald Fowler's handwritten note reminding himself to use the CIA to intervene on behalf of an international fugitive for Democratic Party fundraising.

Now, let me tell you something, Mr. Speaker. If I was in a meeting with an international fugitive and that international fugitive wanted to get into the White House, and he asked me to call the CIA, and I wrote down on a note, "Go to CIA," and then I went to the CIA, and then I called the Committee on National Security, and then I get this international fugitive into the White House where I get him to give \$300,000 to the White House, I think I would remember. But somehow in Washington, DC, inside the beltway, if you mix normal tap water with a sub-poena, amnesia ensues.

"Go to CIA." It is pretty clear. "Go to CIA." That is so straightforward that even somebody who graduated from the University of Alabama like myself can understand it. "Go to CIA." That means improperly use your position as Democratic National Committee chairman to go to the Central Intelligence Agency to get an international fugitive an audience with the President of the United States of America for improper purposes.

Do not tell me you do not remember. It is offensive to be told time and time again about how these people do not remember how they may have broken the law. It is offensive when we find out on the Committee on Government Reform and Oversight that 900 Americans' FBI files were improperly obtained by the White House staff by a man named Craig Livingston and then have Craig Livingston, Craig Livingston's bosses, and Craig Livingston's supervisors tell us that nobody knows who hired Craig Livingston.

I remember, I was asking him, Mr. Livingston, you said you always wanted to work at the White House, that this was the dream of your life, right? He said "yes."

So we asked him, when you got that faithful call that morning that said, Mr. Livingston, you are coming to work at the White House, who called you?

He said, "I cannot recall."

And then we asked the supervisor who fired Mr. Livingston, who said he was responsible for Mr. Livingston's actions. We said who hired Mr. Livingston, this man who improperly ob-

tained 900 FBI files? "I do not remember."

If it were not such a tragedy, you know, it would be funny. But it seems like everybody has sort of lost their memory. They forgot who hired the guy who improperly seized 900 FBI files. They forgot that they wrote notes telling them to go to the CIA, the Central Intelligence Agency, to get an international fugitive into the White House. They forgot if they made any phone calls, they do not think they did, but maybe they made a phone call or two from the White House and then they find out they made 46 phone calls. Oh, OK, maybe we made 46. They find out they made over 100, and they say maybe I made over 100 phone calls, but they are not illegal. This is an old law. But they forgot their own counsel in 1993, Abner Mikva, said it is illegal to raise money?

The White House, it is time for people's memories to be restored. It is time for America's confidence in the U.S. Congress to be restored. It is time for America's confidence in their President to be restored, and it is time for America's confidence in the judicial system and in the Justice Department to be restored. And the only way to do that is for us to stop playing the type of games that have been played this week by people that are doing motions to adjourn, to supposedly show how much they care about these campaign fundraising abuses, and instead demand that the Attorney General do what she should have done, according to the New York Times, months ago, and get somebody independent to go shake up some of these people to get their memories jarred so we can figure out why, in the words of the New York Times, access to the White House to international undesirables was so prevalent during the 1996 campaign.

It does not matter if we are Democrats or Republicans, liberals or conservatives, we have a responsibility to ask the tough questions, even if we may not like the questions. I ask my friends on the other side of the aisle to start doing that.

I guess my confidence in some of these people calling for campaign finance reform maybe would be stirred a little bit if I would have one Democrat stand up and say, "yes, I too am concerned." But they are not doing it. They are concerned about stonewalling, and until they change their concern, then I am afraid America will be worse for it.

A FLAWED TOBACCO SETTLEMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Kentucky [Mr. BAESLER] is recognized for 60 minutes.

Mr. BAESLER. Mr. Speaker, what I want to talk about today is the tobacco settlement that was negotiated between the several attorneys general and several of the manufacturers of tobacco in the United States.

It was the intent of those negotiators when the settlement was reached to have Congress ratify the agreement and put the settlement in place. However, the negotiators and the manufacturers made at least two strategic errors in their discussion.

First, during the negotiations themselves, they did not include the constituency necessary to bring this matter to the Congress for its consideration. For instance, nowhere during the period of time were the farmers in Kentucky, North Carolina, Tennessee, Virginia, and other tobacco producing States represented at the table or represented at the negotiations.

Also left out of these discussions were other members of the tobacco family who depend on tobacco for a major part of its revenues, such as convenience stores. For those who might ask why convenience stores throughout this country, between 20 and 28 percent of their net profits comes from the sale of tobacco products.

So the point I am making is it is not responsible to suggest that Congress will take the tobacco settlement as proposed and pass it, because there is no constituency in Congress for the settlement, because the right people were not all included when the discussions took place.

Who do I talk about when I talk about the tobacco family? In this Hall, as in the other Hall across the building, tobacco is not a popular subject with a lot of people. Throughout this country, we are castigated annually, monthly, by a lot of people, some people know about us, some people do not. But the tobacco family is much more than the manufacturers. The tobacco family in the State of Kentucky are 60,000 farms of the 90,000 who have allotments. Those allotments usually are less than 5 acres, unlike the large allotments in North Carolina.

On these farms, practically for the last 150 years, people have had part of their income generated from the production of tobacco. The tobacco family also includes the farm implement dealers. It includes the feed stores, it includes all the people in the small communities. And in my district alone, some 8 to 10 of the counties are most dependent on tobacco that are in the United States.

The tobacco family are the folks who are trying to pay the taxes, not the large manufacturers who are in the top 10 companies in the Nation or worldwide, but small farms who might make \$3,000 or \$4,000 a year to pay the taxes or to maybe put their kids through school.

So these folks were not represented when this discussion took place. To give you a comparison of what it meant, since in early 1938 to 1940, tobacco farmers in this country have been paid a total of \$80 to \$85 billion for all their products put together. The tobacco settlement was for \$368 billion overnight. So it was proper that they be there, but they were not.